

### **AGENDA ITEM 3.6**

#### **A Co-operative Future in a Competitive Environment?**

**Response by the Chairman and Executive Officer to the research into the profiles, perceptions and needs of member co-operatives by Paul Martin (April 2000)**

**Graeme Charles and David Griffiths**

#### **3.1. Profile of Respondents**

##### **Recommendation 1:**

That the CFV commence a research of non-member co-operatives and investigate their perception of the CFV and their reason for not being members of the Federation.

**Response:** Research of non-member co-operatives is important. The VCN survey undertaken in 1999 did survey 250 non-member co-operatives with a disappointing 3 responses.

**Action:** To be implemented pending priorities and resources.

##### **Recommendation 2:**

That research be undertaken by the CFV which seeks to identify the types and geographical distribution of all co-operatives registered in Victoria. That as part of this research an examination of the types and distribution of co-operatives who are members of the CFV also takes place.

That a comparative analysis be performed to identify the types of sectors among CFV's member co-operatives and whether such sectors identified in the general population of co-operatives are over or under represented in CFV's membership.

That the CFV seeks basic profile data (number of members, number of employees, annual turnover, size of board of directors and number of independent directors) from its applicants for membership and periodically updates this data with surveys of members each three to five years.

**Response:** Limited analysis has already been undertaken separately by the MRR Committee in 1999 and the Executive Officer in 2000. Basic profile data from applicants for membership is desirable.

**Action:** Research to be implemented pending priorities and resources. Collection of basic data profile from applicants for membership and it is recommended that be as follows – number of members, number of employees, annual turnover and active membership requirements.

##### **Recommendation 3:**

That, in the above research, the views of member co-operatives be investigated to assess whether there is perceived to be an excessive focus upon gaining membership from one sector of co-operatives or another, or for providing a disproportionate level of services to that (or those) sectors. That any perceived imbalances between sector types be considered for further action by CFV.

**Response:** With the assistance of the former Consultant Tony Gill, the MRR Committee did undertake an analysis of service provision to members. This concluded that the co-operatives who paid the lowest subscriptions tended to under-utilise the Federation's services and that some of these co-operatives contributed more to the Federation than higher paying co-ops.

**Action:** See comments on recommendation 2.

**Recommendation 4:**

That the CFV ensure that articles published in the VCN have either relevance to all co-operatives or that additional/other articles be published which cover the particular interests of each co-operative sector by type.

**Response:** With VCN as an insert within National Co-op Update, this objective is more easily achieved with greater news-gathering resources and a 12 pages instead of 8 photocopied pages.

**Action:** Appropriate action is already underway.

**Recommendation 5:**

That the CFV, in the proposed research, examine the geographical distribution of registered co-operatives and member co-operatives so as to identify the relative proportion of metropolitan co-operatives and non-metropolitan co-operatives that are members or non-members.

**Response:** See comments on Recommendation 2.

**Action:** See comments on Recommendation 2.

**Recommendation 6**

That, in the research recommended in Recommendation 1 and 2, the CFV identify the age profile of the general population of all co-operatives and compare that profile to the membership age profile of CFV members.

**Response:** See comments

**Action:** See comments

**Recommendation 7:**

That those members of lesser duration of CFV membership, say less than five years be targeted by the Federation to ensure their continuing membership.

**Response:** The arbitrary nature of five years is based on eight of 22 respondents to the survey have been members for less than five years and 50% stated that their only reason for joining had been to get advice regarding the recent legislative and rule change requirements. The most important co-operatives for the Federation are the large co-operatives who have been members for more than five years.

**Action:** We are implementing a program of continuous improvement within priorities and resources.

**Recommendation 8:**

That the proposed research investigate the membership sizes of registered co-operatives in Victoria. That this distribution be compared with the relative size distribution of CFV member co-operatives.

**Response:** See comments on Recommendation 2.

**Action:** See comments on Recommendation 2.

**Recommendation 9:**

The proposed research investigate the financial turnover of co-operatives registered in Victoria. That this distribution be compared with the turnover of CFV member co-operatives.

**Response:** See comments on Recommendation 2.

**Action:** See comments on Recommendation 2.

**Recommendation 10:**

That the CFV consider recommending to member co-operatives that they should take on directors from outside the membership of their co-operative to provide an independent view of the co-operative's practices.

**Response:** This is a matter for individual co-operatives to determine. The experience of independent directors varies. Co-operative education for directors, however, should include the advantages and disadvantages of independent directors.

**Action:** The inclusion of this is under discussion with Active Learning & Communication Co-operative Limited

### **3.2 Perceptions of the CFV and its services**

**Recommendation 11:**

That the Board of the CFV be aware of a divide in primary expectations between one group of members and another in which one group sees membership conferring delivery of services to members while another group sees membership as a moral duty involving responsibility for promoting a co-operative philosophy and practice.

**Response:** The broad distinction is recognised but more in-depth questioning would probably reveal more complex differences.

**Action:** It is critical that the Federation work always recognises the existence, and inevitability, of different expectations and that this should inform our decision-making processes and services.

**Recommendation 12:**

That the Board seek to ensure that both sets of expectations are recognised as legitimate and met in a balanced way. This may mean that neither set of expectations shall ever be entirely met, as the two sets of expectations can be expected to continually compete for limited time and resources.

**Response:** The legitimacy of the expectations and the need for balance is recognised although more complex than revealed in the survey. Expectations about services depend on definitions, accessibility and relevance.

**Action:** The reality of different expectations does inform our services and approaches and over the last seven months we have increased the responsiveness and range of services and the level of representation.

**Recommendation 13:**

That the CFV initiates a campaign to increase the numbers of co-operatives utilising the directors' seminars that the federation provides.

**Response:** The Federation has been involved in two types of director training. The first is the agribusiness director training seminar undertaken by Monash +University. The second has been ad hoc director training. A campaign is premature until we have developed course material.

**Action:** Active Learning & Communication Co-operative Limited is developing for the Federation the necessary course material.

**Recommendation 14:**

That the board examine any existing processes for the Executive Officer providing responses to member enquiries. That where any guidelines exist for contact and response, that they be reviewed and if there are no guidelines, that they be developed and implemented as a matter of urgency.

**Response:** This was the subject of a board survey in 1999 which identified a number of priorities for improving service provision by the Federation. The board accepts the need for continuous improvements.

**Action:** The improvements are gradually being implemented.

**Recommendation 15:**

That member needs and expectations regarding the content and layout of the newsletter be investigated. That this could be done through the pages of the journal as a write-in or phone-in survey, or an informal survey be performed by the executive officer during other contacts with members.

**Response:** The production of the VCN has been upgraded through it becoming a printed insert within National Co-op Update. This arrangement follows the VCN survey undertaken in 1999 and the subsequent report prepared by David Griffiths and John Gill. We will discuss with Nation Co-op Update the issue of a new survey after the new format of VCN has settled.

**Action:** This has been implemented.

**Recommendation 16:**

That the newsletter include a regular listing of activities of the board and the executive officer particularly in regard to activities where those parties are representing the CFV to the external world.

**Response:** This is being done under the new arrangement with VCN as an insert within National Co-op Update.

**Action:** Implemented and ongoing.

### **3.3 Perceived Training Needs for Own Co-operatives**

#### **Recommendation 17:**

That the CFV does not give further consideration to providing consultancy services to its members unless there is a substantial change of circumstances or a substantial change to its membership. That the introduction of consultancy services at any time in future be based upon a market research study.

**Response:** It is agreed that there is limited scope for new consultancy services and priority is being given to the development of director training.

**Action:** No action is required at this stage.

#### **Recommendation 18:**

That the CFV establish an internet site to promote its activities. That the site include a "member only" section for communication and publication of position papers, news, the VCN and Information Sheets. The site should also have email facilities.

**Response:** The board has already made an in principle commitment to establish a web site and work is being undertaken on developing content for the site. The site will be hosted by the North East Telecommunications Co-operative

**Action:** This is in the process of being implemented.

#### **Recommendation 19:**

That the CFV commences a campaign among co-operatives to increase their training effort. That the campaign be based upon the need for change in response to shifts in technology, social expectations and business conditions.

That the campaign promotes the need for the skilling of members of co-operatives, the skilling of the boards of co-operatives and the skilling of employees of co-operatives. The types of skills areas should include interpersonal skills development, business skills development and technical skills development.

**Response:** See response to Recommendation 13.

**Action:** See comments on Recommendation 13.

#### **Recommendation 20:**

That the CFV does not consider direct involvement in provision of any training programs to members without seeking much more definitive financial commitment by the member towards utilising such training.

**Response:** An essential prerequisite to the development of appropriate training materials. This is now being undertaken for the Federation by Active Learning & Communication Co-operative Limited.

**Action:** Decisions about what kind of financial commitment is necessary will depend on the development of the training materials and how they are to be used.

#### **Recommendation 21:**